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INTELLIGENCE MEMORANDUM

Situation in the Dominican Republic (Report #254 - As of 7:00 am EDT)

Yesterday was another quiet day in Santo Domingo with a press conference by rebel leader Caamano high-lighting the political activity. The military situation did not change significantly.

Caamano told reporters yesterday afternoon that time was on the rebel side because of world opinion and reiterated that any solution to the stalemate would have to be based on the 1963 constitution. He said that his forces controlled most of Santo Domingo and emphasized that the nerve center of the country's economy was located in the city's rebel-held downtown area. Caamano repeatedly charged that Jose Mora, Secretary General of the Organization of American States (OAS), favored the Imbert regime and said he had appealed for the UN to take a more active role in the crisis. Caamano did not rule out negotiations through an OAS commission although he said that the group would have to demonstrate its impartiality.

Reports from the Ciudad Nueva area indicate an unusual nervousness among rebel leaders and their followers. Caamano's forces are in a constant state of alert against attacks from loyalist troops in the National Palace and are said to be concerned about loyalist tank and troop movements in the northern part of the city.

Imbert recently stated he has no intention of attacking the rebel positions but is attempting to apply maximum psychological pressure by constantly shifting his forces.

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Meanwhile, conditions remain generally quiet in the interior. The recent heavy rains have hampered food distribution and flooding has isolated many communities. Reports from the northeast coastal area indicate that the economic situation there is especially critical. One bright note is a report from Santiago which characterizes that city as "fat and happy" with the troubles in Santo Domingo apparently far away.

The rebel-controlled radio continues to assail the US and the activities of the OAS. The OAS-super-vised salary payments to public employees has come under heavy fire from the rebels as a "grave insult to Dominican sovereignty." Military and police personnel began receiving their pay in the Santo Domingo area yesterday and day laborers and public employees in many parts of the country will be paid today.

Yesterday afternoon Havana Radio broadcast a thinly veiled exhortation to the Dominican rebels. The broadcast charged that US Marines were occupying interior towns in the country, commiting atrocities, and cooperating with the Dominican military in repressive actions against patriots supporting the Caamano constitutionalist government. Havana boasted that "the Dominican masses...are arising in battle array to fight the armed foreign intervention of their fatherland and to support the constitutionalist government that represents national interests...the Dominican national liberation struggle is on the way and this powerful flame cannot be quenched by the invaders."